

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 14, 2010
POSITION: Oppose

BILL NUMBER: AB 2089
AUTHOR: J. Coto

BILL SUMMARY: American Indian Education Oversight Committee

This bill would make the following changes to the American Indian Education Oversight Committee (AIEO): (1) extend the inoperative and repeal date of the California American Indian Education Center (AIEC) program from January 1, 2012 to January 1, 2017, (2) authorize the Superintendent of Public Instruction (SPI) to appoint to the AIEO committee an educator that is not a director of a AIEC to fill a vacancy in one of the four positions designated for directors, if the SPI is unable to find a qualified individual to fill a vacancy with 30 days of the vacancy notice, and (3) require each AIEC to submit information for an evaluation on or before January 1, 2016, in addition to January 1, 2011, as specified.

FISCAL SUMMARY

This bill would result in no additional state costs to extend the authorization of the 27 California AIEC programs until 2017. The annual budget act authorizes funding for the AIEC and currently the AIEC funds are subject to categorical flexibility.

The authorization of the SPI to provide flexibility in appointing members to the AIEO would not result in additional state costs as membership is voluntary.

COMMENTS

The Department of Finance (Finance) is opposed to this bill for the following reason:

- It is premature and unnecessary to reauthorize the AIEC program given that it is currently subject to categorical flexibility provisions, which allow the Centers to redirect AIEC funds for any other educational purpose, and essentially renders the operative statutes governing that program and all other flexed programs inoperative. Categorical flexibility provisions are currently authorized through the 2012-13 fiscal year, though it is unclear whether these flexibility provisions will be extended beyond the 2012-13 fiscal year.

Analyst/Principal (0331) E. Hanson	Date	Program Budget Manager Jeannie Oropeza	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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ANALYSIS**A. Programmatic Analysis**

The AIEC program was established in 1974 to serve as an educational resource for American Indian students and their families. There are currently 27 AIEC programs operating in the state as educational resources to American Indian students, parents and schools within their communities. The focus of the centers is to provide services that improve student achievement in reading/language arts and mathematics and to provide students with cultural activities. The current AIEC program expires January 1, 2012.

Chapter 880, Statutes of 2006 (SB 1710) extended the program's sunset date from January 1, 2007 to January 1, 2012 as well as established the California AIEO committee to provide input and advice to the SPI on the AIEC programs. The committee must be comprised of at least seven educators, four of whom shall be American Indian education center directors and shall possess proven knowledge of current educational policies relating to, and issues faced by, American Indian communities in California. However, enactment of this legislation did not provide funding for the oversight committee. As a result, the author's office states that this has caused a hardship for Center Directors to serve.

Furthermore, Chapter 4, Statutes 2009 of the 3rd Extraordinary Session included the AIEC program into the Categorical Flexibility item, providing school districts with fiscal and policy flexibility through fiscal year 2012-13. This flexibility allows school districts and, in this case, Centers to use categorical funding for any purpose. Participation in categorical flexibility also means that the AIEC, and any other categorical program included within the flexibility item, no longer has to comply with statutes relative to the program, including the requirements to report outcome data to the California Department of Education (SDE).

Current law requires the SDE to conduct an evaluation of the Centers by January 1, 2011, but the SDE indicates it will not be conducting this evaluation because categorical flexibility granted relief from program requirements.

This bill authorizes the SPI to appoint to the AIEO committee an educator that is not a director of a Center to fill a vacancy in one of the four positions designated for directors of AIEC, if the SPI is unable to find a qualified individual to fill a vacancy with 30 days of the vacancy arising. In addition, this bill extends the program sunset date to January 1, 2017 and requires the California AIEO to conduct an evaluation of the centers to on or before January 1, 2016.

According to the author's office, "American Indian Education Centers provide a vital link between American Indian education and the California Department of Education. In 2007, with input from existing Center directors, the SPI appointed 11 members to serve on the American Indian Education Oversight Committee. Since 2008, two of the positions to be held only by American Indian education center directors have been vacant. The inability to fill the two vacancies has made it difficult to obtain a quorum for the oversight committee and hampered its ability to conduct business on a regular basis."

The authorization of the SPI to appoint an AIEO committee member or an educator that is not a director of an AIEC to fill a vacancy in one of the four positions designated for directors appears reasonable. Furthermore, this authorization does not have any associated costs. However, Finance believes the extension of the sunset date for the AIEC program is premature. Since the current AIEC program is included in the flex item, Centers receiving AIEC funding have the option to redirect the funds for any purpose. At this time, categorical flexibility is set to expire fiscal year 2012-2013. However, to the extent categorical flexibility is extended beyond fiscal year 2012-2013, it would be premature to extend the AIEC program beyond its current sunset date.

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

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B. Fiscal Analysis

See Fiscal Summary.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	Code
6110/Dept of Educ	LA	Yes	-----	See Fiscal Summary				-----	0001
6110/Dept of Educ	SO	No	-----	See Fiscal Summary				-----	0001